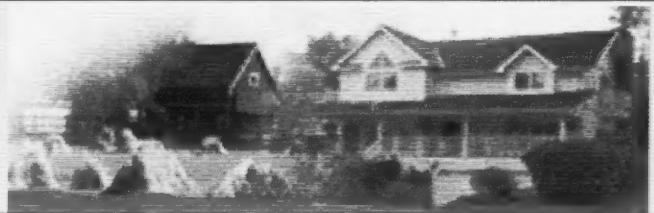


# HOUSING BULLETIN

## MONTHLY REPORT

### March 2009



#### EXECUTIVE SUMMARY

The seasonally adjusted annual rate <sup>[1]</sup> of housing starts in Canada increased by 18,600 units in March 2009 since the previous month. In Alberta's seven largest centres, overall housing starts decreased 85 percent from March 2008 to March 2009.

In March 2009 the average house price listed on the Multiple Listing Services (MLS) in Alberta was \$329,800, compared to \$367,200 in March 2008, down 10.1 percent. For Calgary, the average house price listed on the MLS was \$420,354<sup>[2]</sup>, down 11.4 percent, and the average house price listed on the MLS in Edmonton in March 2009 was \$349,716<sup>[3]</sup>, a drop of 9.8 percent, both compared to March 2008.

The results from the Fall Rental Market Report- Alberta Highlight, produced by the Canada Mortgage and Housing Corporation (CMHC), indicated that vacancy rates in private rental apartments in Alberta's centres, with population of 10,000 people, was 2.5 percent in October 2008, up from 1.6 percent in October 2007.

#### KEY HIGHLIGHTS

- *The 1<sup>st</sup> quarterly House Price Survey released by Royal LePage Real Estate Services Limited reported:*
  - *Canadian Real Estate market relatively resilient during first quarter.*
  - *Modest decline in resale house prices, despite prediction of double digit depreciation.*
  - *Market corrections in British Columbia and Alberta were significant, and it is expected that these areas may be the first in Canada to stabilize.*
  - *Condominiums are generally the most affordable housing options, especially in urban centres. With record low lending rates and new government initiatives aimed at encouraging first-time buyers to enter the market, ownership at the entry level is becoming more easily accessible.*
- *According to the Alberta Real Estate Association, a total of 9,363 residential units were sold province-wide from January to the end of March 2009.*
- *In Calgary, a total of 1,086 residential units were sold through the MLS in March 2009, compared to 825 units sold in February 2009.* <sup>[2]</sup>
- *In Edmonton, 1,380 residential units sold. Total MLS sales, including commercial and rural sales, were 1,513 units. This was a 30 percent increase over the previous month. Total residential sales for the first quarter were 3,185 units with a year-to-date value of \$1.1 billion.* <sup>[3]</sup>

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR), i.e., monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.

[2] Source: The Calgary Real Estate Board.

[3] Source: The Realtors Association of Edmonton

## HOUSING MARKET TRENDS

### HOUSING STARTS

#### **Single-detached starts down by 57 percent.**

Province wide, single-detached starts were down to a total of 362 units in March 2009, compared to 849 units in March 2008.

In March 2009, 105 single-detached homes were started in Edmonton, compared to 205 units started in March 2008, a decline of 48.8 percent.

Meanwhile in Calgary, there were 171 single-detached homes started in March 2009, compared to 416 units started in March 2008, down 58.9 percent.

#### **Multiple Family starts down by 92 percent**

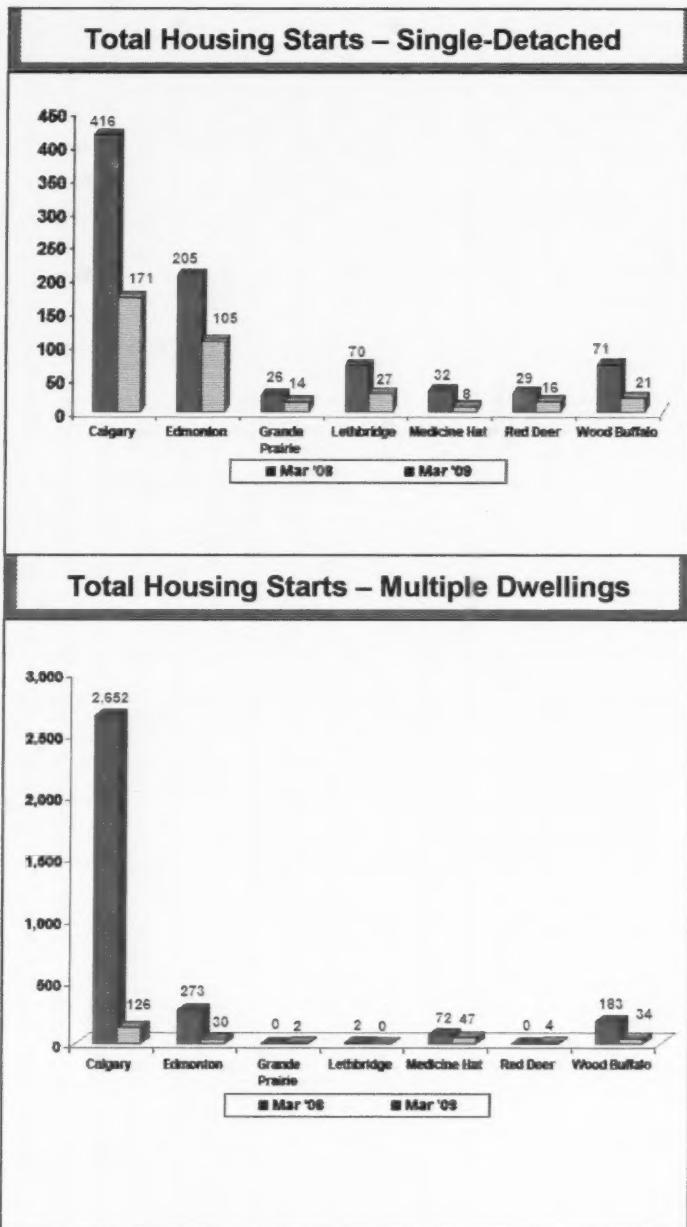
Multiple-family starts in Alberta declined from 3,182 in March 2008 to 243 units in March 2009.

Across Edmonton, multi-family starts (semi-detached, row and apartments), totalled 30 units in March 2009, compared to 273 units started in the same month of 2008, down 89 percent.

In Calgary, multi-family starts amounted to 126 units in March 2009, compared to 2,652 units started in March 2008, a decline of 95.2 percent.

According to CMHC, multiple dwelling starts are expected to remain low throughout the year due to the large number of units still under construction.

Source: Canada Mortgage and Housing Corporation

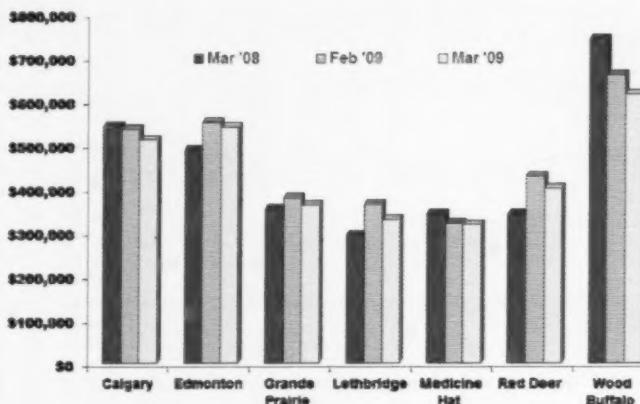


## HOUSING PRICES ACROSS ALBERTA

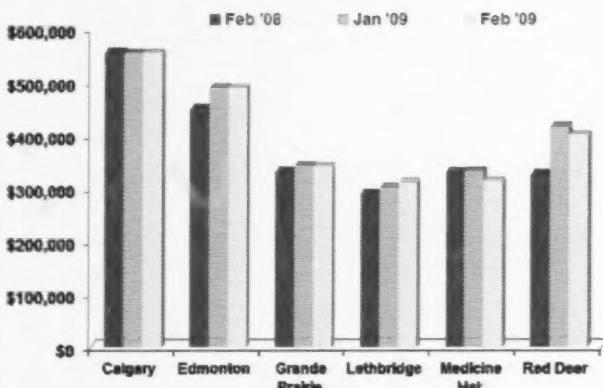
### Average Absorbed\* Unit Resale Price for Single-Detached Dwellings

According to CMHC, average resale prices for single-detached dwellings across the province decreased in all seven major urban centres in March 2009. The average absorbed resale house price in Alberta for March 2009 was \$525,784, compared to \$516,714 in March 2008, an increase of 1.7 percent.

Average Absorbed Unit Resale Price – Single-Detached Dwellings



Average Sale Price – Newly Completed Single-Detached and Semi-Detached Dwellings



\*A dwelling is defined as 'absorbed' when a binding, non-conditional agreement is made to buy or rent the dwelling.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC)  
Preliminary Housing Start Data – Canada Mortgage and Housing Corporation (CMHC)

**CALGARY HOUSING MARKET** – According to the Calgary Real Estate Board, 1,086 single family homes were sold in March 2009, a 32 percent increase over February 2009, where only 825 homes were sold. The number of condominiums sold during March 2009 was 446, an increase of 30 percent from 343 condominium transactions recorded in February 2009.

Average Resale Price – Single-Detached Dwellings							Average Resale Price – Condominium						
March '09	February '09	% Change Feb '09 - Mar '09	March '08	% Change Mar '08 - Mar '09	Average Days on the Market Mar '09	Month End Inventory Mar '09	March '09	February '09	% Change Feb '09 - Mar '09	March '08	% Change Mar '08 - Mar '09	Average Days on the Market Mar '09	Month End Inventory Mar '09
\$420,354	\$415,568	1.2	\$474,513	-11.4	48	4,369	\$284,056	\$268,971	5.6	\$312,620	-9.1	56	2,052

**EDMONTON HOUSING MARKET** – The Realtors Association of Edmonton reported an increase in MLS sales of 28 percent from February 2009, with 1,380 residential units being sold in March 2009.

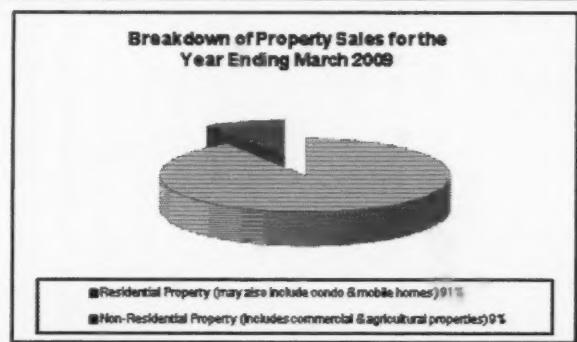
Average Resale Price – Single Family Dwellings (SFD)					Average Resale Price – Condominium						
March '09	February '09	% Change Feb '09 - Mar '09	March '08	% Change Mar '08 - Mar '09	March '09	February '09	% Change Feb '09 - Mar '09	March '08	% Change Mar '08 - Mar '09	Average Days on the Market Mar '09 (both SFD and Condo)	Month End Inventory Mar '09 (Includes SFD, Condo, Duplex, and Mobile homes)
\$349,716	\$347,309	0.7	\$387,632	-9.8	\$230,489	\$226,857	1.6	\$263,023	-12.4	66	7,476

**ACCORDING TO THE ALBERTA REAL ESTATE BOARD**, 4,042 residential units were sold in March 2009 across Alberta, compared to 5,192 residential units in March 2008 (down 22.1 percent).

Location	Average Residential Resale Price*				
	March '09	February '09	% Change Feb '09 – Mar '09	March '08	% Change Mar '08 – Mar '09
Calgary	\$372,100	\$370,200	0.5	\$419,400	-11.2
Edmonton	\$309,000	\$309,000	0.0	\$343,700	-10.1
Grande Prairie**	\$276,900	\$279,600	-1.0	\$289,700	-4.4
Lethbridge	\$239,300	\$238,700	0.3	\$248,100	-3.5
Medicine Hat	\$252,500	\$255,000	-1.0	\$277,100	-8.8
Red Deer	\$264,000	\$270,100	-2.3	\$283,400	-6.8
Wood Buffalo**	\$616,600	\$659,300	-6.5	\$689,200	-10.5
Alberta	\$329,800	\$327,500	0.7	\$367,200	-10.1

#### Value of property sales

- The value of total property sales for the year ending March 2009 was \$3.3 billion (down 43 percent from the same period last year).
- Residential properties represented 91 percent (\$3 billion) of total property sales for the year ending March 2009.



\*Residential includes single family dwellings, condo and mobile homes.

## PRIVATE APARTMENT AVERAGE VACANCY AND RENTAL RATES

### ALBERTA 10,000+ (Rental Market Report – Alberta Highlights, Fall 2008)

#### Apartment vacancies increased across Alberta

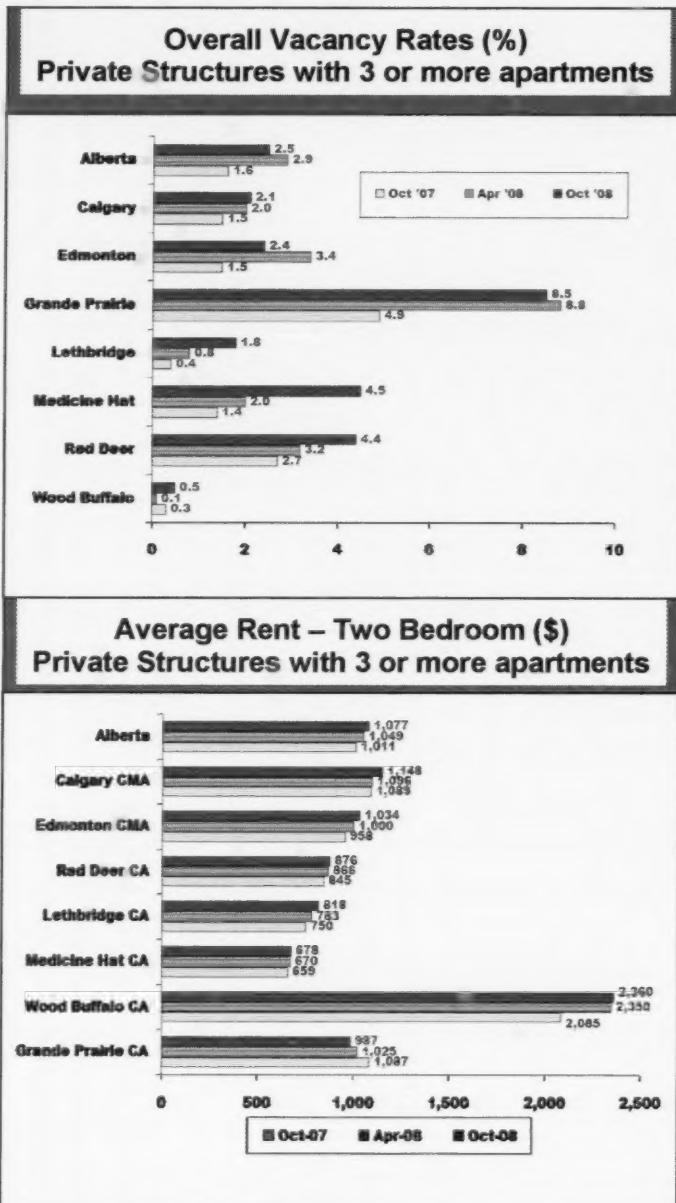
#### Highlights:

- Apartment vacancy rates in Alberta's urban centres with a population of at least 10,000 people were 2.5 percent in October 2008, up from 1.6 percent in October 2007.
- Across the province, apartment vacancy rates ranged from 0.5 percent in the Wood Buffalo region to 9.1 percent in the Brooks area.
- In October 2008, both Calgary and Edmonton saw an increase in their vacancy rates to 2.1 percent.

#### Moderate increase in apartment rental rate

#### Highlights:

- Total average rent in Alberta was \$975 in October 2008, up from \$913 reported in October 2007.
- In Calgary, the average two-bedroom rent increased from \$1,089 in October 2007 to \$1,148 in October 2008.
- The average two-bedroom rent also increased in the Edmonton region, from \$958 in October 2007 to \$1,034 in October 2008.
- To view the full report, please click [here](#)



Source: Rental Market Report – Alberta Highlights – Spring 2008 and Fall 2008, Canada Mortgage and Housing Corporation (CMHC)